REMARKS

Claims 51-63 and 65-77 stand rejected under 35 U.S.C. §103(a) over Morgan *et al.* ('672). By this amendments, independent claims 51 and 65 have been amended to overcome the rejection under 35 U.S.C. §112, and to add the limitation that the video program source material is simultaneously recorded at two different compression ratios. This clearly distinguishes over the Morgan reference.

Morgan is directed to a post production offline editing system for storing unedited video takes in a random access memory preferably a set of laser video disk players. The system displays selected takes (or individual frames from selected takes), and generates an edit list which defines an edited video program. The system emphasizes versatility functionality enabling a user conveniently to log unedited takes, generate an edit list, add video special effects, and so forth. The user interface includes a convenient means for jogging (and shuttling) the laser disk players using a mouse. ('672, Abstract)

Nowhere in Morgan *et al.* is there a mention—or indeed a need—for simultaneous recording of source material at different compression ratios. This is due to the fact that the Morgan system, while versatile, is dedicated to off line editing, such that only a single type of recording is necessary.

The system of Morgan *et al.* contemplates that during production, the production crew has prepared five video tapes (or strips of motion picture film), each representing a take. Each take corresponds to a portion of a script. Each tape (or segment of motion picture film) is transferred to a laser video disk (or disks), so that the disks may be inserted into the video disk playback units of the invention. During offline editing, the editor may generate an edit list which characterizes the typical "first-cut" which consists of concatenated portions of each of the five takes, which define an edited show. ('672, 3:57-4:4)

Apart from this transfer from tape to laser video disk, there is no other recording of program source material according to Morgan *et al.* Digital compression is not mentioned and, indeed, is probably not used; that is, the program source material is probably transferred from tape to disc without any compression. The only recorded "output" is the edit list, which is stored on floppy or hard disk ('672, 9:46-47), presumably for use in online editing.

Since the system of Morgan *et al.* does not teach or suggest all of the elements of Applicant's claimed invention, prima facie obviousness cannot be established.

In view of the above amendments and remarks, Applicants believe the pending application is in condition for allowance. Questions regarding this amendment may be directed to Applicants' attorney at the telephone and/or facsimile numbers provided below.

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Respectfully submitted,

John G. Posa

Registration No.: 37,424

GIFFORD KRASS, SPRINKLE, ANDERSON

& CITKOWSKI, P.C.

2701 Troy Center Drive, Suite 330

Post Office Box 7021

Troy, Michigan 48007-7021

(248) 647-6000 (248) 647-5210 (Fax)

Attorney for Applicant